A1500-2

Paper Paperboard & Wood Pulp

MONTHLY STATISTICAL SUMMARY · Vol. 67 No. 9 SEPTEMBER 1989

PAPER AND PAPERBOARD PRODUCTION: MAINTAINING TREND

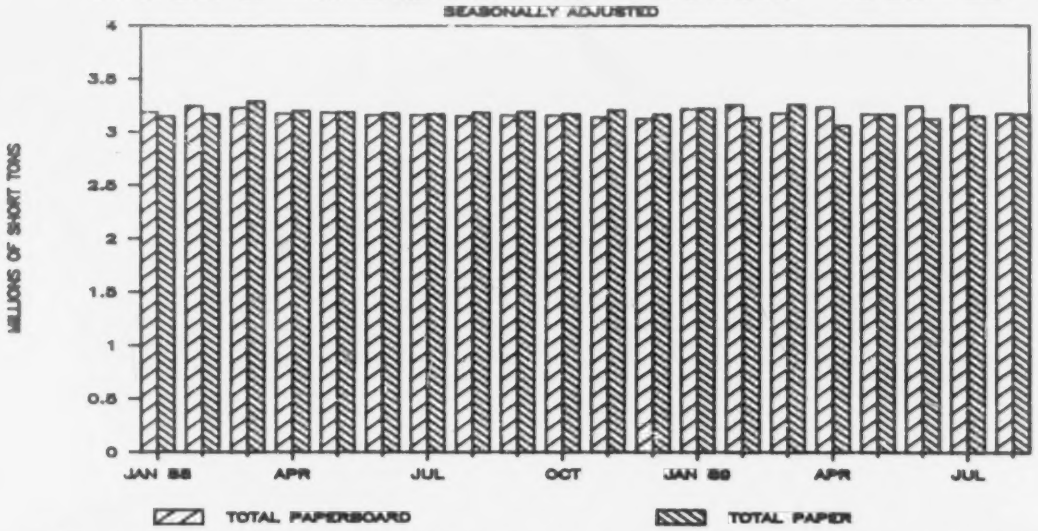
Monthly production totals for both paper and paperboard have been trending upward since their April lows, moving back to the trend established at the beginning of 1988. The August paper total of 3.3 million tons was the second highest monthly level this year and the fourth highest ever. The August paperboard total was the highest for this year and second only to the March 1988 high.

The seasonally-adjusted January-August 1989 paper and paperboard production just about matched its year-ago volume. This steady performance reflected a 0.9% increase in paperboard offset by a 1% decline in paper. In 1988, by contrast, paperboard production rose 1.8% and paper production increased 3.9%. (See graph shown below.)

Inventory drawdowns and sluggish advertising markets appear to have limited paper demand during 1989. On the other hand, paperboard has benefited from a more balanced inventory situation and from increased packaging demand generated by higher industrial production.

Paper: The largest declines in the 1989 year-to-date totals were in shipments of coated papers, which trailed their year-ago volume by 4.7% through August, and packaging papers, which lagged by 3.1%. The major gainers were groundwood paper shipments -- up a notable 8.7% versus year ago -- and tissue paper production, which advanced 2.2%.

PAPER & PAPERBOARD PRODUCTION: 1988—89



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The January-August 1989 totals of U.S. shipments of coated papers registered declines in all major end-use markets, while the import tonnage through July was off 5.2%. The weakness was partly due to inventory trimming in market channels and partly related to sluggish consumption, particularly in advertising-related end-use markets.

There have been some positive signs during recent months, including a strong August performance by coated paper shipments, and gains in new and unfilled orders. New orders have been trending upwards since April and unfilled orders have been rising since May. Unfilled orders at the end of August were 13.8% ahead of their year-ago level. Shipments of uncoated free sheet papers also showed strength in August and unfilled orders for these papers rose sharply. (See page 3 for details.)

Domestic shipments of uncoated groundwood were 8.7% higher than year-ago during the first eight months of 1989, with the month-to-month rate holding flat. However, the high level of U.S. shipments was more than offset by reduced imports. According to API's Printing-Writing Paper Division, imports of uncoated groundwood were off 10.5% through June and the estimated domestic new supply through July trailed its year-ago total by 1.8%.

U.S. newsprint production was up just 0.5% during the first eight months of 1989, while total North American shipments declined 1.3%. Newspaper publishers reduced inventories from 48 days of supply at the end of August 1988 to 43 days at the end of August 1989. Total U.S. consumption of newsprint has exhibited a nearly flat trend since early 1988, even while advertising markets were sluggish.

Shipments of unbleached kraft papers were 4.7% lower than year-ago during January-August of 1989, with much of the negative impetus coming from multiwall sack and other converting grades. On the other hand, shipments of unbleached grocer's bag and sack papers matched their year-ago level during the first eight months of 1989, despite the softening in plastic resin prices that has taken place since late 1988. Imports of kraft papers through July exceeded their year-ago volume by 35.4%, which may have contributed to the decline in domestic shipments.

Paperboard: Seasonally-adjusted paperboard production weakened in August, but cumulative year-to-date production was up 0.9%. Continuing gains in industrial production -- a key indicator of demand for corrugated shipping containers -- was one of the factors that has helped to bolster paperboard demand this year. Fibre box shipments, as reported by the Fibre Box Association, posted a year-to-date gain of 1.8% through August of 1989.

Continued on Page 11

PAPER AND PAPERBOARD STATISTICS

PRODUCTION, SHIPMENTS AND ORDERS
(Thousands of Short Tons)

	YEAR 1987	YEAR 1988	MAY 1989	JUNE 1989	JULY 1989 (R)	AUGUST 1989 (P)	Annual Rate Y-T-D 1989	% Change From same Period Last Year
PAPER								
Newsprint - Production	5,842	5,982	504	498	522	510	5,996	0.5
- Shipments	5,854	5,969	510	498	521	517	5,965	0.8
Printing & Writing Sum	20,778	21,793	1,795	1,737	1,695	1,888	21,467	-1.9
Groundwood Paper - Shipments	1,498	1,624	151	139	148	151	1,752	8.7
- New Orders	1,542	1,654	154	149	151	164	1,775	10.4
-Unfilled Orders	166	208	186	199	191	207	207	16.3
Coated Papers - Shipments	6,860	7,359	580	580	571	652	7,081	-4.7
- New Orders	7,000	7,412	613	636	650	663	7,233	-4.0
- Unfilled Orders	708	751	698	741	828	872	872	13.8
Unctd Free Sheet - Shipments	10,966	11,277	938	886	852	950	11,096	-1.8
- New Orders	11,173	11,298	864	916	868	1,025	11,067	-2.6
- Unfilled Orders	772	790	583	609	613	708	708	-11.2
Thin Papers - Shipments	240	217	17	16	15	16	195	-9.4
Cotton Fiber Paper - Shipments	163	167	14	13	11	12	159	-3.7
Bleached Bristols - Production	1,052	1,150	95	102	98	106	1,183	3.2
Tissue Paper - Production	5,301	5,476	474	466	458	473	5,590	2.2
Total Packaging & Other Paper	4,955	5,047	384	401	392	426	4,881	-3.1
Unbl. Kraft Paper - Shipments RS	2,840	2,800	206	229	212	227	2,664	-4.7
Other Paper - Production RS	2,115	2,247	178	172	180	199	2,217	-1.1
TOTAL PAPER-Production-Unadj.	36,876	38,298	3,157	3,102	3,067	3,296	37,935	-1.1
-Production-S.A.			3,166	3,123	3,151	3,166	37,941	-1.0
PAPERBOARD - PRODUCTION								
Solid Wood Pulp Furnish	28,859	29,316	2,531	2,505	2,577	2,577	29,992	1.7
Total Unbl. Kraft Paperboard	18,898	19,140	1,680	1,644	1,688	1,700	19,697	2.0
Unbl. Kraft Linerboard (1)	17,683	17,897	1,560	1,531	1,569	1,571	18,346	1.7
Production for Export	2,303	2,296	191	160	215	182	2,385	1.4
Other Unbl. Kraft Paperboard	1,215	1,244	121	113	119	129	1,350	7.1
Semichemical Paperboard	5,536	5,664	468	468	479	488	5,719	1.4
Production for Export	193	136	8	11	10	10	138	2.6
Solid Bleached Paperboard	4,406	4,511	382	394	410	389	4,576	0.8
Production for Export	619	628	59	57	54	59	663	5.4
Recycled Paperboard	8,601	8,789	736	718	682	724	8,673	-2.2
Production for Export	75	72	3	3	10	3	46	-44.1
TOTAL PAPERBOARD-Prod.-Unadj.	37,442	38,105	3,266	3,223	3,259	3,300	38,666	0.8
- Containerboard Prod.(Dom. Use)	23,025	23,563	2,033	2,027	2,024	2,072	23,933	1.3
- Boxboard Prod.(Dom. Use)	6,969	7,066	598	613	614	616	7,194	1.2
- All Other P'bd Prod.(D.U.)	4,262	4,344	375	353	332	359	4,307	-2.4
- Total Paperbd Prod. for Export	3,190	3,132	261	230	290	253	3,231	1.1
TOTAL PAPERBOARD PROD.- S.A.			3,167	3,241	3,252	3,174	38,587	0.9
TOTAL PAPER AND PAPERBOARD								
Production - Unadj.	74,318	76,403	6,424	6,325	6,327	6,596	76,600	-0.1
Production - S.A.			6,333	6,364	6,403	6,340	76,528	-0.1

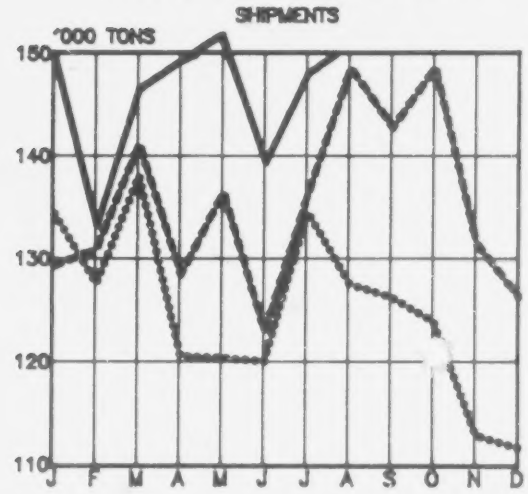
RS - Revised Series

(1)Includes all exports of kraft paperboard.

R - Revised P - Preliminary S.A. - Seasonally Adjusted

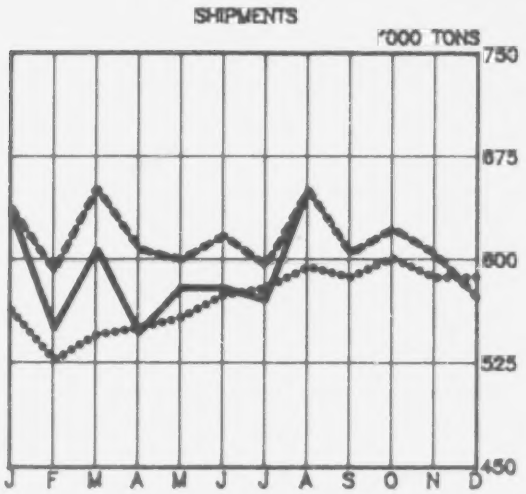
GROUNDWOOD PAPER, UNCOATED

SHIPMENTS



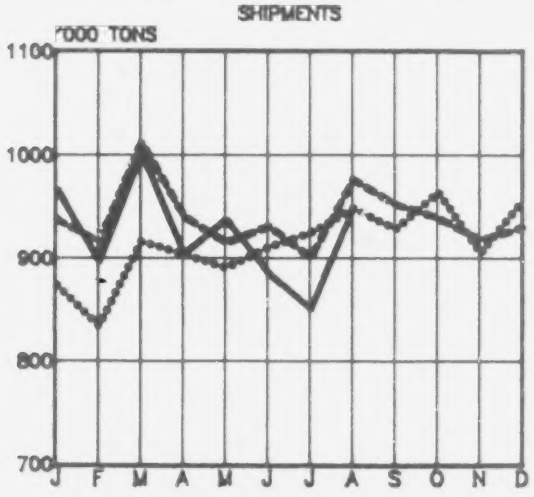
COATED PAPER

SHIPMENTS



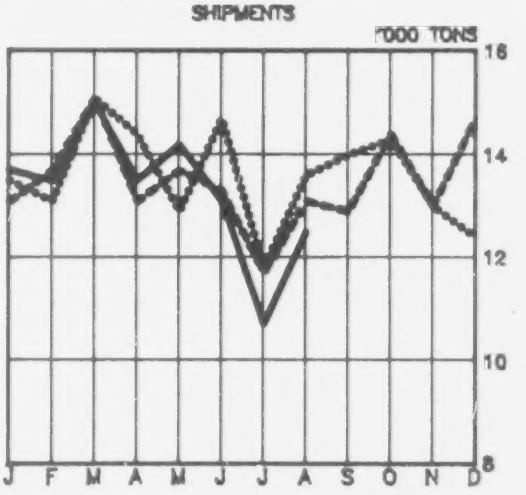
UNCOATED FREE SHEET PAPERS

SHIPMENTS



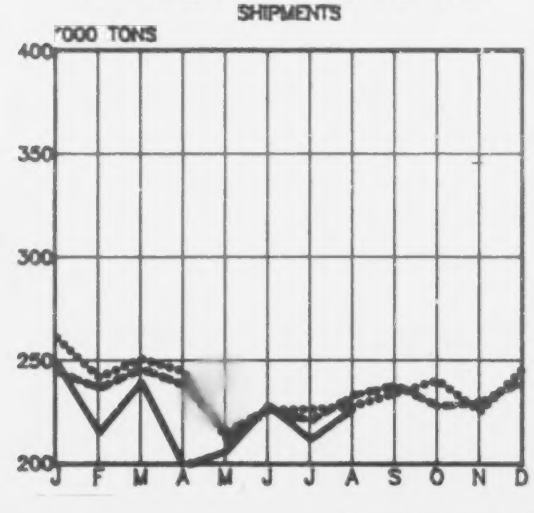
COTTON FIBER PAPER

SHIPMENTS



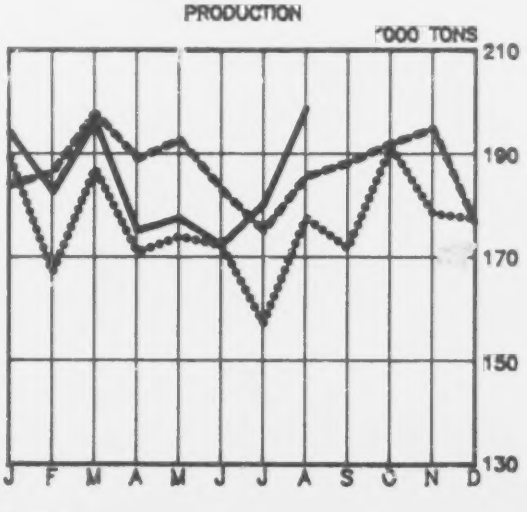
UNBLEACHED KRAFT PACKAGING
AND INDUSTRIAL CONVERTING PAPER

SHIPMENTS



OTHER PAPER

PRODUCTION



1987 •••••••• 1988 - - - - - 1989 ——

WOOD PULP STATISTICS
(Thousands of Tons)

	YEAR 1987	YEAR 1988	APRIL 1989	MAY 1989	JUNE 1989	JULY 1989	Annual Rate Y-T-D 1989	% Change from same Period Last Year
TOTAL WOOD PULP					R	P		
Total Wood Pulp - Production	59,552	61,161	5,193	5,087	5,102	5,395	62,350	2.3
- Imports	4,850	5,038 A	418	420	389	358	4,933	-1.6
- Exports	4,889	5,528	525	504	562	540	6,372	19.9
- New Supply	59,513	60,671	5,086	5,003	4,930	5,213	60,912	0.5
Dissolving Pulp - Production	1,312	1,367	106	109	102	144	1,427	7.3
- Imports	198	248	24	15	32	13	279	21.4
- Exports	752	865	68	66	79	62	830	-0.4
- New Supply	757	751	63	59	55	95	876	20.6
Paper Grades - Production	48,293	49,493	4,209	4,125	4,167	4,374	50,605	2.6
Chemical Pulp - Imports	4,456	4,419 A	363	381	326	328	4,363	-1.1
- Exports	4,111	4,612	451	435	474	472	5,465	23.3
- New Supply	48,637	49,300	4,121	4,071	4,019	4,230	49,502	0.4
Groundwood and - Production	5,702	5,943	512	497	480	510	5,928	-0.6
Thermo-Mech. - Imports	197	371 A	31	23	31	17	291	-21.8
- Exports	26	51	6	3	8	6	77	54.1
- New Supply	5,872	6,263	537	517	502	521	6,142	-2.3
Semi-Chemical - Production	4,246	4,358	366	356	353	366	4,391	1.5
- Imports								
- Exports								
- New Supply	4,246	4,358	366	356	353	366	4,391	1.5
MARKET WOOD PULP								
Total Market - Production	8,114	8,565	718	721	739	764	8,875	4.7
Wood Pulp - Imports	3,235	3,471	268	307	267	284	3,367	-1.4
- Exports	4,820	5,071	423	446	505	447	5,433	8.8
- New Supply	6,529	6,966	563	581	501	602	6,809	-1.3
Dissolving Pulp - Production	1,308	1,365	105	108	101	144	1,420	7.0
- Imports	154	206	21	10	27	7	202	0.1
- Exports	775	798	63	58	84	51	801	7.4
- New Supply	687	774	63	60	45	99	820	4.8
Paper Grades - Production	6,806	7,200	613	612	638	620	7,455	4.3
Chemical Pulp - Imports	2,975	3,126	238	290	237	276	3,107	2.1
- Exports	4,045	4,273	360	388	422	395	4,632	9.1
- New Supply	5,736	6,052	491	514	453	500	5,930	-0.2
Groundwood Pulp - Production	0	0	0	0	0	0	0	0.0
and All Other - Imports RS	106	139	9	7	3	2	58	-66.0
- Exports	0	0	0	0	0	0	0	0.0
- New Supply	106	139	9	7	3	2	59	-65.9

SOURCES: Total Wood Pulp Production & Market Wood Pulp Production, Imports & Exports - Pulp Division, Pulp, Materials and Technology Group, API. Total Wood Pulp Imports & Exports - Department of Commerce.
NOTE: A - API shifted Import data from January 1989 to December 1988 to compensate for misallocation of reported data.

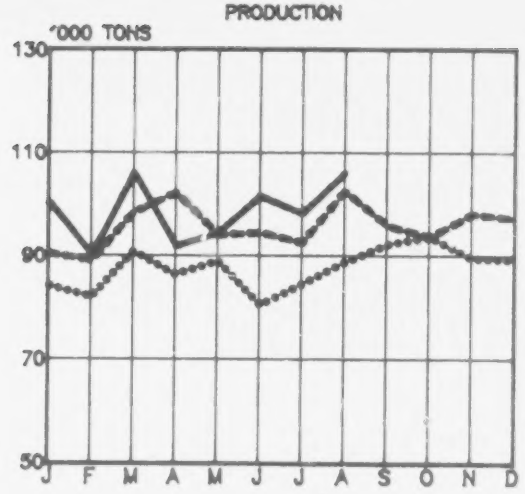
FIBROUS RAW MATERIALS
(Thousands of tons)

	YEAR 1987	YEAR 1988	APRIL 1989	MAY 1989	JUNE 1989	JULY 1989	Annual Rate Y-T-D 1989	% Change from same Period Last Year
CONSUMPTION AT PAPER & PAPERBOARD MILLS					R	P		
Total	77,468	79,707	6,686	6,696	6,576	6,779	80,319	1.1
Total Wood Pulp	59,474	60,847	5,131	5,072	4,985	5,201	61,389	1.2
Waste Paper	17,993	18,860	1,555	1,624	1,591	1,578	18,930	0.7
INVENTORIES								
Chemical Paper Grade Market Pulp								
Producers' Own-Use Inventories	170	172	190	162	164	191	191	-1.3
Producers' Market Inventories	224	261	306	305	300	322	322	36.2
Consumers' Purchased Inventories #	529	622	596	628	588	573	573	4.6
Waste Paper at Paper & Bd. Mills	902	1,029	1,024	1,024	1,036	1,007	1,007	21.0
Days of Supply at Pulp Mills of Chemical Paper Grade Mkt Pulp	12	14	15	15	15	16	16	33.3

SOURCES: Wood Pulp Data, Pulp Division, Pulp, Materials and Technology Group, API. Waste Paper Data, Paper Recycling Committee, API. # Includes all grades of wood pulp.
P - Preliminary; R - Revised; (0) - Indicates zero to five-hundred short tons RS - 1988 Revised Series

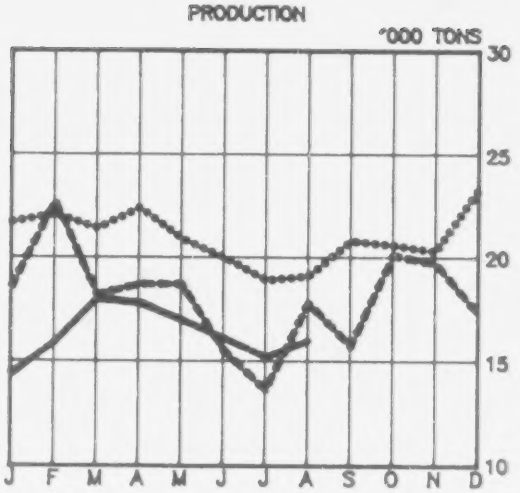
BLEACHED BRISTOLS

PRODUCTION



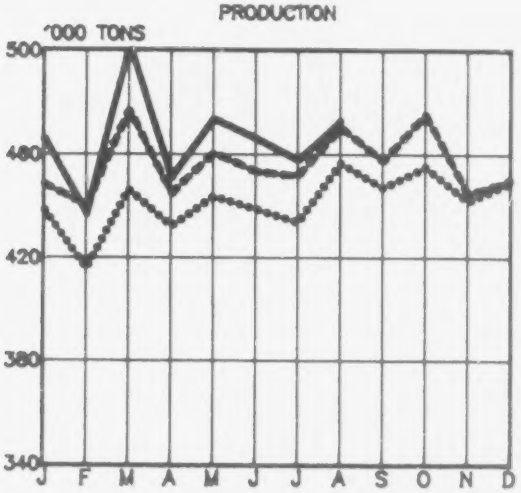
THIN PAPER

PRODUCTION



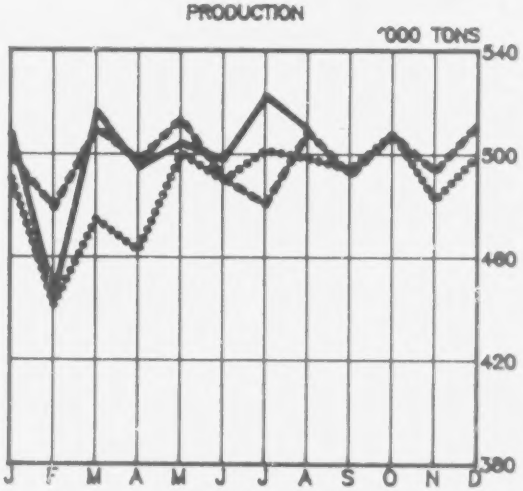
TISSUE PAPER

PRODUCTION



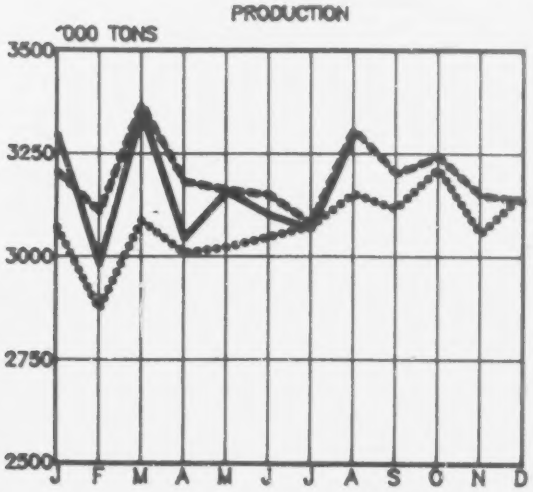
NEWSPRINT

PRODUCTION



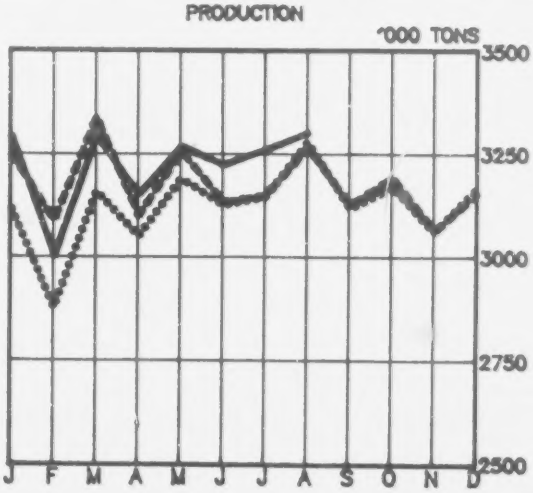
TOTAL PAPER

PRODUCTION



TOTAL PAPERBOARD

PRODUCTION



1987 ••••••••• 1988 - - - - - 1989 ——

F I B R O U S R A W M A T E R I A L S

(Thousands of Standard (128 cubic foot) Cords)

		YEAR 1987	YEAR 1988	APRIL 1989	MAY 1989	JUNE 1989	JULY 1989	Annual Rate Y-T-D 1989	% Change From Same Period Last Year
PULPWOOD									
Total U.S.	- Total Receipts	94,312	95,537	7,858	8,005	8,358	8,476	97,577	3.6
	- Total Consumpt	93,946	95,497	8,040	8,112	8,348	8,548	98,421	3.3
	- Residues *	32,899	33,186	2,761	2,867	2,939	2,989	34,238	3.8
	- Inventories	5,096	4,888	4,402	4,320	4,343	4,191	4,191	-1.0
So. Atlantic	- Total Receipts	31,147	31,582	2,670	2,646	2,616	2,719	31,742	2.7
	- Total Consumpt	30,915	31,567	2,719	2,646	2,697	2,814	32,438	3.8
	- Residues *	9,553	9,897	812	779	801	884	9,905	1.7
	- Inventories	1,211	1,200	964	943	911	811	811	-17.2
Northeast	- Total Receipts	6,941	7,187	530	502	584	590	7,179	3.9
	- Total Consumpt	7,109	7,216	643	582	549	579	7,178	-2.9
	- Residues *	1,543	1,664	142	129	126	97	1,620	1.5
	- Inventories	594	572	533	418	441	444	444	3.3
South Central	- Total Receipts	33,650	33,751	2,829	2,958	2,981	2,913	34,620	4.4
	- Total Consumpt	33,059	33,646	2,750	3,025	3,074	3,050	35,304	5.7
	- Residues *	9,992	9,890	810	944	850	823	10,185	3.6
	- Inventories	1,294	1,160	1,061	986	857	739	739	-21.1
North Central	- Total Receipts	6,552	6,865	437	524	598	582	6,866	-2.7
	- Total Consumpt	6,764	6,929	588	599	593	565	6,999	-1.5
	- Residues *	1,263	1,334	107	125	107	96	1,378	0.0
	- Inventories	830	839	846	786	768	779	779	-2.9
West	- Total Receipts	16,022	16,152	1,392	1,375	1,579	1,672	17,170	6.3
	- Total Consumpt	16,099	16,139	1,340	1,260	1,435	1,540	16,502	2.2
	- Residues *	10,548	10,401	890	890	1,055	1,089	11,150	6.7
	- Inventories	1,167	1,117	998	1,187	1,366	1,418	1,418	30.9

* - Consumption of Residues in Cord Equivalents. SOURCE: American Pulpwood Association 25-Sep-89

U N I T E D S T A T E S T R A D E W I T H C A N A D A

IMPORTS FROM CANADA

		YEAR Tons	YEAR 1988 ($000's)	JUNE 1989 Tons	JUNE 1989 ($000)	JULY 1989 Tons	JULY 1989 ($000)	Annual Rate Y-T-D 1989 Tons	% Change From same Period Last Year
Pulpwood, Roundwood (in cords of 128 cubic feet)		39,337	4,195	6,457	174	422	24	98,206	182.0
Pulpwood chips		876,038	35,184	53,831	1,486	38,456	1,146	860,193	2.1
Wood Pulp, Total	A	4,340,245	2,282,329	346,029	207,222	284,946	175,147	4,267,152	-1.3
Waste Fibrous Materials, Total		227,004	48,450	14,419	2,726	10,104	1,532	174,278	-28.7
Paper, Board & Products, Total	A	10,497,185	5,715,612	889,304	495,650	776,507	433,220	10,682,053	-0.8
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	A	10,348,278	5,458,084	872,863	471,154	766,142	411,856	10,505,971	-1.1
Paper, Paperboard & Products	A	10,283,277	5,649,813	879,455	493,044	768,383	431,173	10,517,846	-0.4
Paper & Paperboard, Only	A	10,134,369	5,392,286	863,014	468,547	758,018	409,809	10,341,764	-0.7
Paper, Total	A	9,869,253	5,295,796	822,338	451,828	728,497	397,539	9,931,900	-2.2
Newsprint	A	8,284,709	4,320,023	637,028	329,908	586,492	302,375	7,849,897	-8.3
Printing, Writing & Rel. Pap.	A	1,304,003	807,306	161,464	104,317	121,169	79,601	1,782,210	36.3
Pack. & Ind. Conv. Paper		227,493	120,765	14,384	7,912	14,038	8,238	205,120	-11.8
Special Industrial Paper		4,767	9,106	4,285	4,949	2,956	3,717	39,482	772.1
Tissue Paper		48,281	38,596	5,177	4,743	3,843	3,608	55,191	10.9
Paperboard, Total		265,116	96,490	40,676	16,720	29,521	12,270	409,863	55.8
Convtd Paper&Paperbd Products		148,908	257,528	16,441	24,496	10,365	21,364	176,083	21.3
Wet Machine Board		2,939	2,120	36	31	22	16	331	-98.9
Construction Paper & Board		210,970	63,679	9,812	2,576	8,102	2,031	163,876	-17.0

NOTE: A - API shifted Import data from January 1989 to December 1988 to compensate for misallocation of reported data.

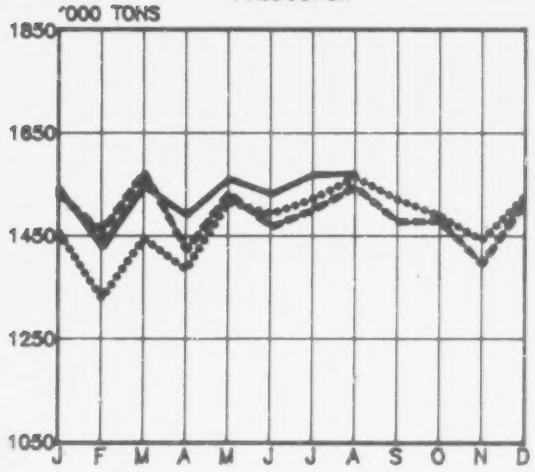
EXPORTS TO CANADA

Pulpwood, Roundwood (in cords of 128 cubic feet)		14,180	836	9,694	124	6,386	79	44,021	131.7
Pulpwood chips		33,040	1,739	2,563	117	3,887	177	26,183	-39.3
Wood Pulp, Total		280,074	101,214	49,277	18,662	13,303	6,207	308,972	19.0
Cotton Pulp & Other Pulp		84,891	24,062	505	321	291	199	6,443	-92.2
Waste Paper		331,999	38,199	22,407	3,231	20,883	3,180	306,856	-1.0
Paper, Board & Products, Total		1,050,117	715,960	115,054	80,470	78,707	58,444	1,002,231	-9.6
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.		773,973	464,416	80,235	52,448	58,030	38,603	700,102	-14.9
Paper, Paperboard & Products		1,013,157	699,127	112,320	79,498	77,628	58,029	983,076	-8.6
Paper & Paperboard, Only		737,013	447,583	77,500	51,475	56,950	38,187	680,947	-13.7
Paper, Total		340,156	293,175	36,135	34,707	27,460	26,587	346,798	-1.4
Newsprint		5,806	5,304	1,096	976	659	537	7,478	91.9
Printing, Writing & Rel. Pap.		166,667	160,007	22,514	22,472	17,460	17,865	216,296	25.5
Pack. & Ind. Conv. Paper		41,718	29,572	5,544	2,490	4,734	2,390	51,842	32.3
Special Industrial Paper		118,806	90,276	6,255	7,624	3,991	4,834	64,665	-50.7
Tissue Paper		7,160	8,016	726	1,145	616	961	6,518	22.4
Paperboard, Total		396,857	154,408	41,366	16,768	29,490	11,601	334,148	-23.6
Convtd Paper&Paperbd Products		276,145	251,544	34,820	28,022	20,677	19,841	302,129	5.5
Wet Machine Board		6,527	2,590	384	149	306	122	2,460	-65.8
Construction Paper & Board		30,433	14,243	2,351	823	774	294	16,695	-35.0

SOURCE: Bureau of Census, Department of Commerce . E - Estimate of tonnage based on square foot data 25-Sep-89

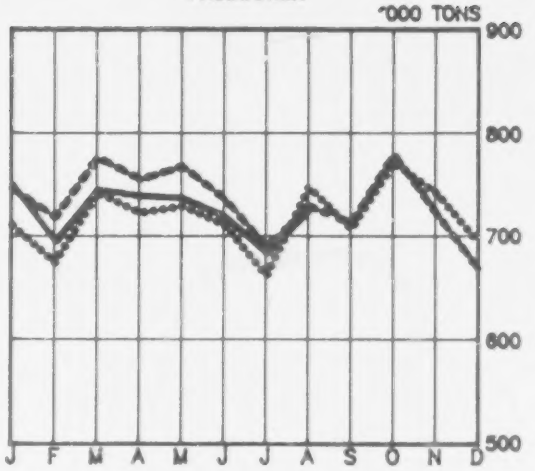
UNBLEACHED KRAFT LINERBOARD

PRODUCTION



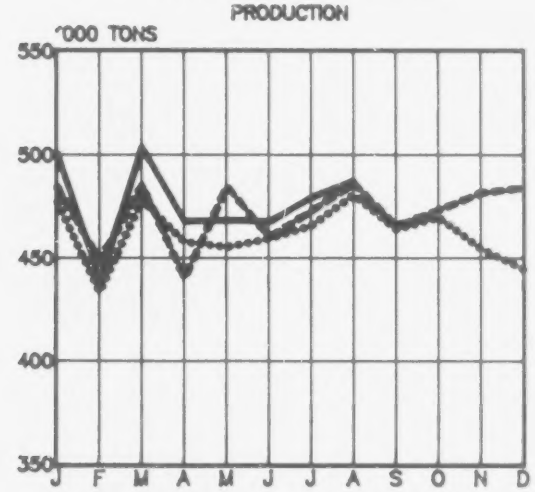
RECYCLED PAPERBOARD

PRODUCTION



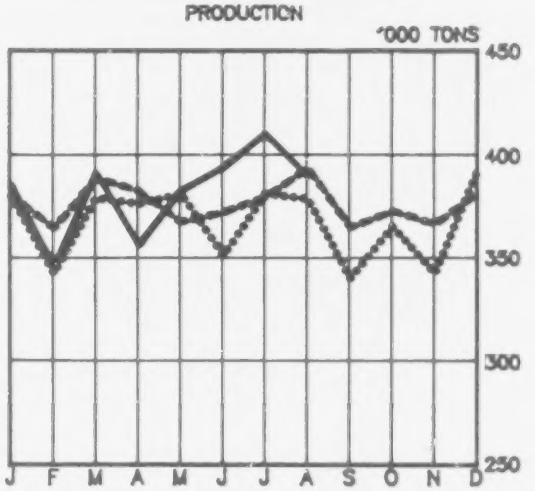
SEMICHEMICAL PAPERBOARD

PRODUCTION



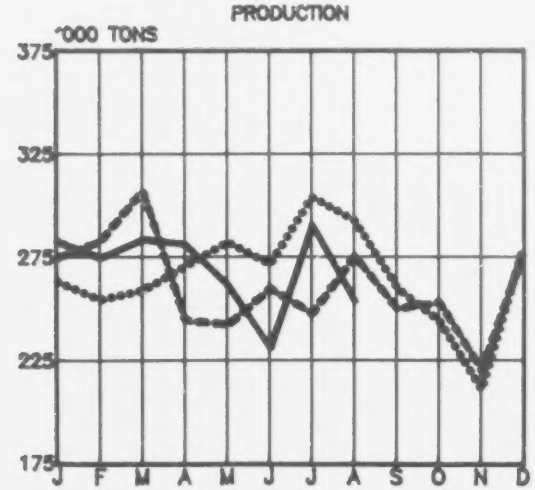
SOLID BLEACHED PAPERBOARD

PRODUCTION



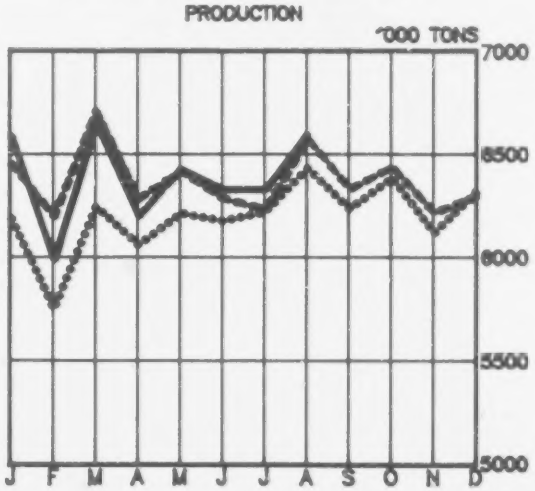
PAPERBOARD FOR EXPORT

PRODUCTION



TOTAL PAPER AND PAPERBOARD

PRODUCTION



1987 ••••••••• 1988 -•-•-•-1989 ——————

I M P O R T S

		YEAR 1988 Tons	YEAR 1988 $000	1989 JUNE Tons	1989 JUNE $000	1989 JULY Tons	1989 JULY $000	(1) Annual Rate YTD 1989 Tons	% Change from same Period Last Year
Pulpwood Roundwood (cords)		39,515	4,200	6,457	174	422	24	98,206	182.0
Pulpwood Chips		888,636	35,553	58,170	1,582	38,930	1,162	882,303	2.7
Total All Imports	A	18,402,259	10,725,164	1,465,089	925,073	1,300,007	829,624	17,971,948	-2.3
Wood Pulp Total	A	5,038,158	2,663,424	389,120	234,711	357,635	220,700	4,933,328	-1.6
Waste Paper		161,367	27,361	14,363	2,664	13,850	1,675	190,831	12.5
Other Fibrous Materials		92,505	32,331	1,070	813	1,025	893	14,536	-84.9
Paper Board & Products Total	A	13,110,229	8,002,047	1,060,516	686,886	927,496	606,356	12,833,253	-2.2
Paper Paperboard Wet Machine Bd. & Construction Paper & Board	A	12,679,974	6,989,006	1,022,360	599,287	891,001	522,202	12,285,589	-3.3
Paper Ppbd & Prds ex Cnst&WMB	A	12,787,784	7,893,637	1,047,121	683,263	915,686	603,062	12,626,423	-1.5
Paper & Paperboard Only	A	12,357,530	6,880,596	1,008,965	595,664	879,190	518,908	12,078,759	-2.7
Paper Total	A	12,016,519	6,749,882	959,618	568,660	837,629	494,505	11,543,935	-4.4
Newsprint	A	8,801,503	4,569,853	661,506	341,654	592,123	305,033	8,035,596	-9.3
Printing & Writing	A	2,812,259	1,899,745	256,376	185,810	210,116	151,122	3,017,591	7.2
Uncoated Groundwood		1,362,642	792,881	146,075	88,154	114,832	70,725	1,585,974	11.8
Coated Print.& Impreg. Pap.	A	797,765	641,466	62,369	51,728	52,578	43,553	732,659	-5.2
Uncoated Free Sheet	A	591,830	414,326	36,317	29,368	34,327	26,830	549,958	-1.7
Uncoated Book	A	258,146	175,746	N.L.R.	N.L.R.	N.L.R.	N.L.R.	N.L.R.	N.L.R.
Writing and Similar Paper	A	333,683	238,580	36,317	29,368	34,327	26,830	549,958	72.3
Thin (except Cigarette)		55,774	48,804	8,308	10,293	5,083	6,367	88,655	49.6
Bristols		4,247	2,269	5,308	6,267	3,296	3,648	59,345	1714.4
Total Pkg & Other Paper		343,196	231,796	29,570	31,929	25,646	28,915	375,217	14.5
Unbleached Kraft Paper		161,708	76,116	16,664	8,097	15,038	7,352	224,495	35.4
Other Pkg. & Indust. Paper		181,488	155,680	12,906	23,831	10,608	21,563	150,723	-6.9
Tissue		59,561	48,488	10,166	9,267	9,744	9,436	115,530	70.7
Paperboard, Total		341,011	130,714	49,347	27,005	41,561	24,403	534,824	58.8
Test or Containerboard		85,682	36,145	9,766	3,691	8,227	3,167	80,579	9.1
Semi-Chemical Corrugating		142,490	43,596	11,136	3,500	9,967	3,026	130,738	-12.5
Other Paperboard		112,839	50,972	28,444	19,813	23,367	18,210	323,507	185.0
Convtd Paper&Paperbd Products		430,255	1,013,041	38,156	87,599	36,496	84,154	547,664	34.0
Paper Products, Total		393,089	944,974	30,052	73,013	28,648	69,421	450,466	21.1
Paperboard Products, Total		37,166	68,067	8,105	14,586	7,848	14,733	97,198	163.8
Wet machine Board		4,239	3,780	70	65	44	31	582	-86.2
Construction Paper & Board		318,206	104,630	13,325	3,558	11,766	3,263	206,248	-30.2
Notes									
Other: No Weight Avail. ($000)			177,686		12,521		15,052	131,100	-25.9
Total Imports Incl. Other($000)			10,902,850		937,594		844,676	11,254,690	5.5

NOTE: A - API shifted Import data from January 1989 to December 1988 to compensate for misallocation of reported data.

E X P O R T S

	YEAR 1988 Tons	YEAR 1988 $000	1989 JUNE Tons	1989 JUNE $000	1989 JULY Tons	1989 JULY $000	(1) Annual Rate YTD 1989 Tons	% Change from same Period Last Year
Pulpwood, Roundwood (cords)	15,470	894	19,797	280	13,010	241	131,823	541.6
Pulpwood Chips	3,503,100	286,191	327,994	31,167	389,661	35,617	4,437,331	38.3
Total All Exports	17,061,208	7,467,363	1,579,303	750,817	1,569,009	732,071	18,924,376	13.5
Wood Pulp,Total	5,528,292	2,914,521	561,686	323,155	539,878	323,685	6,371,615	19.9
Cotton Pulp and Other Pulp	201,567	111,923	8,569	7,704	7,767	6,641	120,162	-42.7
Waste and Old Paper	5,640,118	688,258	502,249	61,790	532,988	62,917	6,159,963	12.6
Paper, Board & Products,Total	5,691,231	3,752,661	506,799	358,168	488,376	338,828	6,272,636	10.6
Paper,Paperboard,Wet Machine Bd. & Construction Paper & Board	4,876,563	2,701,405	411,561	243,431	411,803	235,690	5,228,837	7.6
Paper, Ppbd & Prod ex Cnst&WMB	5,559,356	3,683,601	503,381	356,859	485,796	337,750	6,236,766	12.6
Paper & Paperboard, Only	4,744,688	2,632,346	408,144	242,121	409,223	234,613	5,192,968	10.0
Paper, Total	1,102,490	988,031	128,861	109,049	127,581	102,846	1,482,898	42.7
Newsprint	427,296	295,474	48,112	27,445	61,492	32,449	638,345	50.5
Printing & Writing	287,208	313,047	50,062	47,146	38,680	39,382	475,121	67.1
Uncoated Groundwood	70,286	58,639	9,734	6,636	6,449	5,277	92,237	40.2
Clay Coated Paper	97,464	79,731	20,376	12,470	12,879	9,307	162,913	59.2
Uncoated Free Sheet	82,660	124,049	9,305	14,218	8,301	11,812	90,637	11.8
Other Printing & Writing	36,799	50,629	10,647	13,823	11,051	12,986	129,334	268.1
Total Pkg. & Other Paper	346,718	342,117	28,965	31,751	25,374	28,515	346,712	-1.5
Unbleached Kraft	110,075	54,975	10,894	5,622	9,667	4,238	116,914	16.4
Other Pkg. & Indust. Paper	236,643	287,142	18,071	26,128	16,207	24,277	229,799	-8.6
Tissue	41,268	37,393	1,722	2,707	1,535	2,501	22,720	-53.8
Paperboard, Total	3,642,198	1,644,314	279,283	133,072	281,641	131,756	3,710,070	0.7
Solid Wood Pulp	3,359,078	1,511,057	259,730	124,164	266,658	124,749	3,523,051	4.0
Total Linerboard	2,281,362	887,846	163,924	63,568	186,236	70,865	2,478,046	8.4
Bleached Kraft Linerboard	140,801	73,728	18,088	9,182	22,100	9,900	255,979	80.6
Unbleached Kraft Linerbd	2,140,562	814,119	145,836	54,386	164,136	60,965	2,222,067	3.7
Other Unbleached Kraft	292,437	102,638	22,260	10,184	21,539	8,930	245,597	-27.2
Other Bleached Kraft	742,918	502,513	70,137	48,831	57,809	44,367	772,611	7.5
Semi-Chemical Corrugating	42,360	18,060	3,408	1,580	1,075	587	26,797	-43.3
Recycled Paperboard	283,121	133,257	19,553	8,907	14,984	7,017	187,019	-36.5
Convtd Paper&Paperbd Products	814,668	1,051,256	95,238	114,738	76,573	103,138	1,043,798	28.2
Paper Products, Total	367,548	682,281	46,074	75,174	35,618	68,677	473,962	34.4
Paperboard Products, Total	447,121	368,975	49,164	39,564	40,955	34,460	569,837	23.5
Wet Machine Board	11,691	4,915	417	165	447	190	3,680	-70.4
Construction Paper & Board E	120,184	64,145	3,001	1,145	2,133	887	32,190	-74.1
Notes								
Other: No Weight Avail. ($000)		9,170		2,973		2,394	22,832	157.5
Total Exports Incl. Other($000)		7,476,533		753,791		734,465	8,723,622	20.8

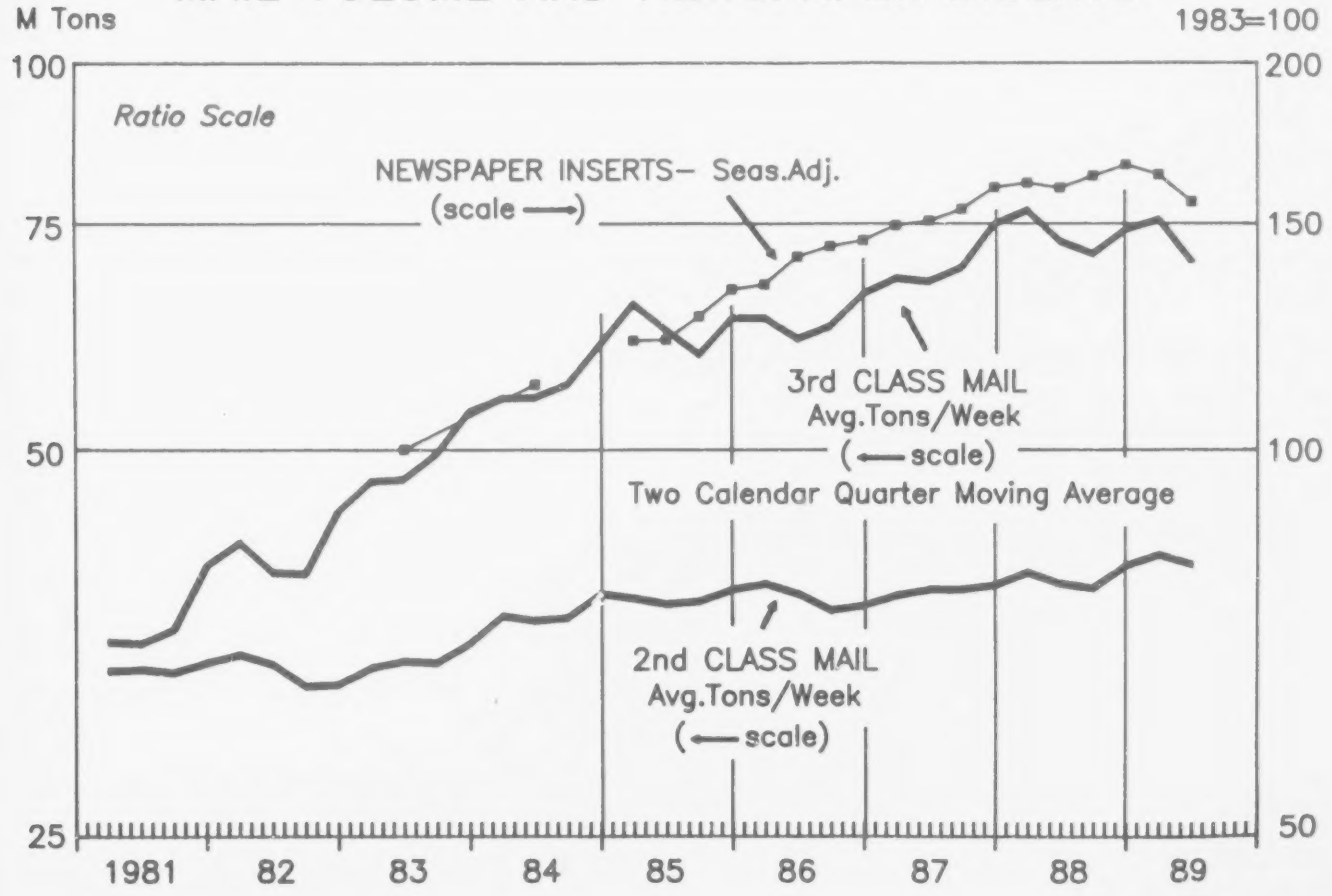
SOURCE: Bureau of Census, U.S. Department of Commerce. E - Incl. estim. of tonnage based on square foot data.
(1) Annual Rate Year-To-Date is in tons unless otherwise specified in item description. N.L.R. - No longer reported.

PRODUCER PRICE INDEXES
1982 = 100

	1987	1988	MAY 1989	JUNE 1989	JULY 1989	AUGUST 1989	Annual Rate Y-T-D 1989	% Change from same Period Last Year
Pulp, Paper and Products except Building Grades	114.3	124.8	133.3	133.1	132.8	132.9	132.1	7.3
Pulp Paper & Products, ex. Building Grades & ex Waste Paper *	113.2	123.8	132.9	132.7	132.4	132.5	131.7	7.9
Total Wood Pulp	111.5	136.7	158.4	158.3	159.4	159.5	156.1	17.4
Total Paper	111.5	123.2	131.0	131.0	130.3	129.6	130.3	7.4
Total Paper, exc. Newsprint	110.6	123.4	132.3	132.3	131.2	130.1	131.3	8.5
Newsprint	112.3	127.6	124.1	123.4	123.6	122.6	124.9	-2.2
Total Paperboard	118.1	133.2	143.5	141.3	140.2	140.3	140.6	6.8
Total Paper and Paperboard *	113.6	126.4	134.9	134.2	133.4	133.0	133.5	7.2
Converted Products	114.7	123.0	131.8	131.9	132.0	132.2	130.7	7.8
Waste Paper	181.4	183.6	158.2	157.7	155.3	157.3	157.9	-16.4
All Commodities	102.8	106.9	113.1	112.8	112.7	112.0	112.0	5.4
Industrial Commodities	102.6	106.3	112.4	112.3	112.2	111.4	111.3	5.3

SOURCE: Producer Price Indexes: Bureau of Labor Statistics, U.S. Department of Labor * Computed by API

MAIL VOLUME AND NEWSPAPER INSERTS



SOURCE: API Printing-Writing Paper Division

Total boxboard production for domestic use was up 1.2% during the first eight months of 1989. Among the larger categories, production of folding boxboard for domestic use was up 2%, while output of milk carton and food service registered a more moderate gain of 0.8%. Set-up boxboard production showed a modest decline.

All of the major grades of paperboard, except for recycled, posted year-to-date production gains so far this year. Recycled paperboard production was affected by a large decline in production of gypsum wallboard facings. Unbleached kraft, up 2.0%, showed the largest increase followed by semichemical, up 1.4%, and solid bleached, up 0.8%. In addition to the expansion of domestic demand, stronger exports also contributed to the gains. Production of bleached board for export was up 5.4% this year and production of linerboard for export was up 1.4%.

MARKET WOOD PULP

Operating rates for U.S. capacity of chemical paper grade market wood pulp eased from 97% percent in July to 95% in August, lowering the year-to-date rate to a still-healthy 99%. Production of chemical paper grade market wood pulp exceeded shipments during July and August, as inventories to rose from 299,000 tons at the end of June to 363,000 tons at the end of August. That increase lifted days of supply from 15 at the end of June to 18 at the end of August. Meanwhile, pulp consumers reduced their purchased inventories from 628,000 tons at the end of May to 573,000 tons at the end of July.

COMMERCIAL PRINTING PAPER DEMAND

Commercial printing has been one of the fastest growing end-use markets for printing-writing papers during the past ten years. However, shipments to this market have leveled off since early 1988 as a result of inventory trimming by printers and slower demand growth for some of the key products that they produce.

U.S. paper shipments to commercial printers rose at an average annual rate of 5.6% from 1978 to 1988. Over those same ten years, inflation-adjusted gross national product (real GNP) increased an average of 2.6% a year, while total printing-writing paper shipments advanced at an average rate of 4.1% a year. As a consequence of the category's rapid growth, commercial printing's share of total printing-writing paper shipments rose from 25.6% in 1978 to 29.6% in 1988.

The most dramatic gains in paper demand by commercial printers have been with respect to the coated grades. In particular, commercial printers increased their share of total

U.S. coated paper shipments from 34.0% in 1978 to 41.6% in 1988. The rapid expansion of coated paper demand by commercial printers reflected strong growth in annual reports, direct mail advertising, newspaper inserts, and other products that are frequently printed on coated papers.

In addition to becoming a more important customer market for coated papers, commercial printers have increased their relative share of U.S. groundwood paper shipments from 15.5% in 1978 to 21.3% last year, but their share of uncoated free sheet shipments declined from 28.0% to 26.9%.

Seasonally-adjusted monthly paper shipments to commercial printers rose rapidly during 1986 and 1987, but then leveled off during early 1988. The high starting position of these shipments during early 1988 yielded a 6.4% increase for the entire year; however, cumulative shipments during 1989 have been running slightly behind their year-ago volume. As was noted above, some of the sluggishness in paper shipments to commercial printers probably reflects the printer inventory drawdowns that took place during 1988 and this year. These inventories now appear relatively lean and the August upturn in uncoated free sheet and coated paper inventories suggests that they have stabilized.

There is also evidence of slower growth in demand for some of the key products produced by commercial printers. More specifically, newspaper inserts, which have long been one of the fastest growing end-use markets for inserts, increased just 3.0% last year and are estimated to have trailed their year-ago volume by 0.8% during the first six months of this year. According to the Newspaper Advertising Bureau, the number of newspaper inserts grew at an average annual rate of 8.9% during the past ten years to a 1988 level of 56.4 billion pieces. That volume of inserts translates to approximately 2 million tons of paper -- mainly groundwood and coated, but some uncoated free sheet as well. (See graph on page 10.)

Direct mail advertising is another commercial printing end-use market that has been experiencing slower growth. In particular, the tonnage volume of third class mail, which is a proxy for direct mail advertising, began to slow after postage rates were increased on April 3, 1988, and has remained relatively weak since then. For instance, the tonnage volume of third class mail increased just 1.9% in 1988 and trailed its year-ago level by 3.6% during the first half of 1989. In the 1981-88 period, third class mail tonnage grew at the impressive average annual rate of 9.6%. Postal rate hikes typically depress volume for two to four quarters, but sluggishness in general advertising expenditures may also be contributing to the temporary weakness in third class mail. The Postal Service is expected to seek another rate hike in 1990, but implementation is unlikely to take place until early 1991.

INDUSTRY FACT SHEET

AMERICAN PAPER INSTITUTE, INC.
260 Madison Avenue
New York, New York 10016

September 29, 1989

PRODUCTION (000 TONS)

	(P) AUGUST 1989	JULY 1989	AUGUST 1988	FIRST 8 MONTHS 1989	1988	% CHANGE YR TO DATE 1989/1988
PAPER GRADES						
Newsprint	510	522	509	3,998	3,978	0.5
Printing & Writing	1,888	1,695	1,910	14,312	14,582	-1.9
Uncoated Groundwood (s)	151	148	149	1,168	1,074	8.7
Coated Paper (s)	652	571	651	4,721	4,954	-4.7
Uncoated Free Sheet Paper (s)	950	852	977	7,397	7,535	-1.8
Thin Paper (s)	16	15	18	130	144	-9.4
Cotton Fiber Paper (s)	12	11	14	106	110	-3.7
Bleached Bristols (s)	106	98	103	789	764	3.2
Tissue Paper	473	458	471	3,727	3,648	2.2
Total Pkg & Other Paper	426	392	419	3,254	3,358	-3.1
Unbl. Kraft Paper (s) RS	227	212	233	1,776	1,863	-4.7
Other Paper RS	199	180	186	1,478	1,495	-1.1
TOTAL PAPER	3,296	3,067	3,309	25,290	25,565	-1.1
PAPERBOARD GRADES						
Unbleached Kraft Paperboard	1,700	1,688	1,657	13,131	12,870	2.0
Unbleached Kraft Linerboard	1,571	1,569	1,545	12,231	12,030	1.7
Other Unbl. Kraft Paperboard	129	119	112	900	841	7.1
Semichemical Paperboard	488	479	486	3,813	3,759	1.4
Bleached Paperboard	389	410	394	3,051	3,026	0.8
Recycled Paperboard	724	682	728	5,782	5,910	-2.2
TOTAL PAPERBOARD	3,300	3,259	3,264	25,777	25,566	0.8
TOTAL PAPER AND PAPERBOARD	6,596	6,327	6,573	51,067	51,131	-0.1

WOOD PULP (ALL GRADES)	JULY 1989	JUNE 1989	JULY 1988	FIRST 7 MONTHS 1989	1988	% Change 89/88
Dissolving & Special Alpha	144	102	117	832	776	7.3
Bleached Sulfite)	131	129	131	910	898	1.4
Unbleached Sulfite)						
Bleached & Semi-Bl. Sulfate	2,350	2,243	2,280	15,907	15,236	4.4
Unbleached Sulfate	1,894	1,795	1,806	12,702	12,633	0.5
Semichemical	366	353	363	2,561	2,523	1.5
Groundwood & Thermomechanical	510	480	497	3,458	3,480	-0.6
TOTAL PULP DIVISION DATA	5,395	5,102	5,194	36,371	35,545	2.3

RS - Revised Series
(s) - Shipments
P - Preliminary

SEPTEMBER 29, 1989

	Full Year		INDUSTRY DATA 1988 - 1989			Ann. Rate Year - To - Date	% From Same Pd. Last Year
			June	July	August		
PAPER AND PAPERBOARD -- Tons (000)	1987	1988				1989	
Total Production (API)..... excluding	74,317	76,403	6,325	6,327	6,586	76,600	-0.1
Total Seasonally Adjusted.... construction			6,364	6,403	6,340	76,527	0.0
Imports (Including Products)... and wet	12,528	12,788	1,047	916	1,093	12,688	-1.2
Exports (Including Products)... machine	5,197	5,559	503	486	540	6,267	13.1
Apparent Consumption..... grades	81,648 a	83,631 b	6,908	6,833	6,693	83,021 c	-1.0
Paper Production % Tonnage Capacity.....	94.4 2	95.3	91.6	87.5	93.0	92.3	-
Paperboard Production % Tonnage Capacity.....	95.7 2	95.0	95.4	93.7	94.0	94.5	-
			May	June	July		
IMPORTS..... Including Construction and	12,837	13,110	1,167	1,061	927	12,833	-2.2
EXPORTS..... WMB Grades (excl. HPB)	5,304	5,691	593	507	488	6,273	10.6
MARKET WOOD PULP PRODUCTION - Tons (000)	8,114	8,565	721	739	764	8,675	4.7
TOTAL WOOD PULP PRODUCTION - Tons (000)	59,552	61,161	5,087	5,102	5,395	62,350	2.3
WOOD PULP IMPORTS - TONS (000)	4,850	5,038	420	389	358	4,933	-1.6
WOOD PULP EXPORTS - TONS (000)	4,809	5,528	504	562	540	6,372	19.9
RAW MATERIALS CONSUMPTION - Tons (000)							
..PAPER AND BOARD MILLS : excluding			May	June	July		
Wood Pulp..... consumption for	59,475	60,847	5,072	4,985	5,201	61,389	1.2
Waste Paper..... construction &	17,993	18,860	1,624	1,591	1,578	18,930	0.7
TOTAL..... WMB grades	77,468	79,707	6,697	6,576	6,779	80,319	1.1
PULPWOOD CONSUMPTION Cords(000);Amer.P.;Pwd. Assn	33,346	35,497	3,xxx	2,248	3,248	38,421	1.3
EMPLOYMENT (000)			June	July	August		
Paper and Allied Products..... Total	680.1	692.6	703.5	701.7	703.0	696.4	0.8
Pulp, Paper and Board Mills..... Total	244.9	245.5	250.8	251.0	251.4	247.3	0.4
AVERAGE HOURLY EARNINGS OF PRODUCTION WORKERS ($)			June	July	August		
Paper and Allied Products.....	11.43	11.66	11.91	12.05	11.92	11.88	2.3
Pulp, Paper Mills.....	14.01	14.31	14.66	14.91	14.80	14.67	2.9
Paperboard Mills.....	14.30	14.49	14.80	14.93	14.75	14.62	2.3
CAPITAL EXPENDITURES, PAPER & ALLIED PRODUCTS			1988 Q4	1989 Q1	1989 Q2		
Mnfct. by US Dept. of Com., Ann. Rates, Bil.$)*	9.01	11.36	12.37	14.13	14.87	15.50 Y	30.4
INDEX OF OUTPUT PER MAN-HOUR (1977=100)			June	July	August		
PULP, PAPER ....Production Workers	145.0	148.7	147.7	149.6	146.6	149.6	0.5
AND BOARD MILLS....All Employees	141.8	146.1	144.5	146.1	143.2	146.1	0.0
PAPER AND ALLIED PRODUCTS (Million $)			May	June	July		
Industry Shipments (Dept. of Commerce)*	116,855	127,718	10,900	10,906	10,870	130,695	2.8
Pulp, Paper and Paperboard*	51,514	57,177	4,923	4,886	4,888	58,377	2.5
Inventories (End of Period) - Total Industry*	11,284	12,065	12,070	12,320	12,438	12,438	7.9
Pulp, Paper and Paperboard*	4,266	4,325	4,673	4,724	4,799	4,799	10.8
			1988 Q4	1989 Q1	1989 Q2		
Sales (Corporations Only).....	95,576	107,221 RS	26,990	27,681	28,534	111,830	5.6
Earnings (Corporations Only).....	5,520	6,081 RS	1,911	1,979	2,022	8,302	1.5
Depreciation (Corporations Only).....	4,279	4,625 RS	1,167	1,167	1,231	4,836	5.4
Net Worth (Corporations Only).....	39,217	42,440 RS	42,440	44,093	45,242	45,242	6.6
PRICE INDEXES (Bureau of Labor Stats)(1982=100			June	July	August		
Pulp, Paper & Products, ex. Building Grades....	114.3	124.7	131.1	132.8	132.9	132.1	7.4
Wood Pulp.....	111.6	136.7	158.3	159.4	159.5	156.1	17.5
Waste Paper.....	181.4	183.5	157.7	155.3	157.3	157.9	-16.3
Paper.....	111.5	123.4	131.0	130.3	129.9	130.3	7.4
Paperboard.....	118.1	133.2	141.3	140.8	140.3	140.6	6.8
PAPER DEMAND INDEXES: 1977=100)			June	July	August		
Total Paper Production *.....	133.4	138.2	135.3	136.5	137.2	137.0	-1.0
Paper New Supply *.....	140.2	144.3	138.5	139.5	141.5	140.7	-2.7
Demand Indicators - (Weighted Average) *.....	154.5	163.7	175.6	175.7	176.6	174.2	7.5
Production of Nondurable Goods *...(21.2%)	136.6	143.9	150.4	150.9	150.9	149.6	4.9
Disposable Income .....*.(23.9%)	130.0	134.9	140.5	141.2	141.9	140.1	4.4
Total Printing and Publishing *...(54.9%)	172.0	183.8	200.9	200.3	202.0	199.6	9.3
Trend Factor			Not Available				
PAPERBOARD DEMAND INDEXES: 1977=100)							
Total Paperboard Production *.....	129.2	131.6	134.3	134.8	134.5	133.3	0.9
Production for Domestic Use	126.1	129.0	133.2	131.1	129.2	130.4	0.9
Demand Indicators - (Weighted Average) *.....	125.9	132.5	137.3	137.1	137.3	136.9	4.3
Production of Consumer Goods *...(62.06%)	127.7	133.9	139.6	138.9	139.0	139.0	4.8
Production of Equipment *...(5.75%)	148.8	158.2	165.9	165.7	166.4	164.2	4.4
Production of Materials *...(32.19%)	116.3	125.3	127.7	128.4	128.4	128.0	3.2
Trend Factor			Not Available				
NEWSPRINT MARKETS			May	June	July		
Consumption by Publishers - Tons (000).....	13,563	13,547	1,151	1,089	1,053	13,214	-0.5
Newspaper Pub. and Printing Empl. Total(000)...	471	475	475	479	477	477	0.6
PRINTING AND FINE PAPER MARKETS							
MAGAZINE ADVERTISING PAGES (PIB, Inc.).....	164,771	169,704	16,120	14,245	10,492	167,564	4.3
WHOLESALERS SALES AND INVENTORIES (Million $)							
Total Paper & Pap. Prdcts.,ex Wallpaper..Sales	44,741	52,377	4,346	4,802	4,501	54,847	9.0
Inventories (End of Period).	3,850	4,436	4,485	4,501	4,561	4,561	5.9
FIBRE BOX DATA (Fibre Box Association)			June	July	August		
Fibre Box Shipments (Million square feet).....	297,827	308,507	26,576	24,584	27,709	314,301	1.8
Container'bd Inventory at Mill & Plant(000Tons).	2,486	2,553	2,475	2,690	2,648	2,948	-3.1
RETAIL TRADE (Billion $)			June	July	August		
Total Retail Sales *.....	1,511	1,612	142.5	143.3	144.3	1,599	6.6
Nondurable Goods Stores Sales *.....	950	998	88.5	88.8	88.9	1,051	6.7
GENERAL ECONOMIC DATA			June	July	August		
TOTAL INDUSTRIAL PRODUCTION (INDEX 1977 = 100)*..	129.6	137.2	141.4	142.0	142.4	141.5	4.0
PRODUCER PRICES(ALL COMMODITIES)(INDEX 1982=100).	102.8	106.4	112.8	112.7	112.9	112.0	5.4
CONSUMER PRICES (ALL ITEMS) (INDEX 1982-4=100)...	113.6	118.3	124.1	124.4	124.6	123.1	5.0
			May	June	July		
TOTAL CONSUMER CREDIT OUTSTANDING - (Bil.,Jun $)..	618.2	671.4	642.3	647.3	649.2	649.2	9.6
GROSS NATIONAL PRODUCT - ANNUAL RATE (Billions)...			1988 Q4	1989 Q1	1989 Q2		
G.N.P. or Expenditure - Current $.....	4,524	4,881	5,017	5,113	5,204	5,158	7.7
G.N.P. or Expenditure - 1982 $.....	3,854	4,024	4,069	4,107	4,134	4,120	3.2

lb/Capita
Pap&Papbd Othr Tot. Popul(mil)
.a - 669 + 17 = 686 243.9
.b - 679 + 17 = 696 246.3
.c - 667 + 17 = 684 248.8
.E - Last month estimated by API

I - Adjusted for holiday inabilities
n - First 3 quarters, annual rate
Q - Quarter

R - Revised
Y - Full year estim. by U.S. Dept. of Com.
RS - Revised Series
* - Seasonally Adjusted.